

EP-5-3325

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Unaccounted for Shortages of Funds

1. I am attaching hereto for your information a file relative to a shortage of funds at the [REDACTED] which occurred in 1949. Based on lack of evidence of fraud or gross negligence, the futility of further pursuing this shortage, and the condition of administrative support facilities at [REDACTED] during that time, I have approved the write-off of the shortage. The [REDACTED] station has now a full complement of Finance Officers and it is not expected that there will be a recurrence of such a situation.

2. This particular case is only one of several similar cases wherein shortages have occurred in the past apparently due to lack of competent trained Finance Officers at field installations. Coverage of all field installations with finance technicians is not always possible or practicable in consideration of cover problems, T/O limitations, and scope of financial work. However, at those installations where it is not possible to have Finance Officers, we should take steps to ensure that a responsible custodian of funds has sufficient training to enable him to properly fulfill that function. I am sure we recognize the importance to the Government and to CIA that we provide the maximum protection and control for our funds.

3. Because of the sensitive conditions in some areas or simply lack of knowledge of the scope of your operations, I do not know of every case where the size or complexities of field installations should require the assignment of administrative support specialists. I hope we have satisfactory coverage of Finance Officers in the field at the present time, but if your Office is aware of situations wherein maximum financial control, consistent with security and operational considerations, does not exist, it is requested that I be advised so that immediate corrective action can be initiated. I appreciate the cooperative effort your Office has extended in providing slots, cover, and other facilities to enable good administration in the field.

4. After your review, the attached file on the [REDACTED] shortage should be forwarded to the Finance Division so that action may be taken to relieve the station of accountability.

STATINTL

L. K. WHITE  
Acting Deputy Director  
(Administration)

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